



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 20, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FOSTER YOUTH IDENTITY THEFT

This is in response to the March 24, 2009, motion by Supervisor Antonovich related to Foster Youth Identity Theft. The motion instructs the Chief Executive Officer, the Director of Children and Family Services (DCFS), and the Chief Probation Officer to report back to the Board of Supervisors within 30 days and quarterly thereafter, on:

1. The scope of foster youth identity theft in Los Angeles County and the effectiveness of measures taken to address this problem;
2. Whether AB 2985 and subsequent State implementation instructions sufficiently address the problem and allow the disclosure of all types of identity theft affecting our foster youth;
3. The County's plan and resources needed to implement the services required by AB 2985.

LEGISLATION

Assembly Bill 2985 (AB 2985), authored by Assembly member Maze and co-authored by Assembly Speaker Bass, requires County welfare departments to conduct credit checks on behalf of any foster child who reaches 16 years of age and is in the care of the County. If the credit check discloses any negative items or any evidence that some form of identity theft has occurred, the County welfare department would be required to refer the youth to a credit counseling organization.

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

The Bill requires the California Department of Social Services (CDSS), in consultation with the County Welfare Directors Association (CWDA) and other relevant stakeholders, to develop a list of approved credit counseling organizations to which foster youth may be referred. It should be noted that Counties would not be required to conduct more than one credit check on behalf of a youth, nor would they be required to provide assistance beyond referring the youth to a credit counseling agency.

Chartered on February 24, 2006, AB 2985 was scheduled to be implemented by the State effective January 1, 2007. However, due to budget constraints the implementation of the Bill was delayed until Fiscal Year (FY) 2009-10. The current statewide budget allocation is \$1.2 million. An all County letter (ACL) is scheduled for release in May 2009. Counties have been instructed by CDSS to refrain from implementing policies regarding AB 2985 until the ACL is released.

BACKGROUND

According to the Identity Theft Resource Center (ITRC) in San Diego, half of the 84,000 kids in California's system may have been victims of identity theft at some point in their young lives. Further, the ITRC indicates that statistics reveal a significant percentage of foster children who have aged out of the child welfare system are victims of identity theft. This violation can wreak havoc on a young person working to establish their independence.

Given that children cannot legally obtain credit prior to age 18, they should have a clean credit report prior to that age. If there has been identity theft, there needs to be sufficient time to get the information removed prior to a young adults' need to secure housing, utilities, loans, etc.

There are two notable types of identity theft:

- Financial identity theft – This most commonly occurs when the Social Security Number (SSN) and name are used to establish new lines of credit;
- Criminal identity theft – This typically occurs when a person “borrows” the information of a minor to get a driver's license or uses the child's identity when caught in a criminal act.

Identity theft among children in foster care has been cited as more common than child identity theft in the general population. Although Americans are well-informed regarding identity theft, the emphasis generally centers around protection of one's information and cautionary tips on preventing others from accessing private account codes or identifying information.

With children in foster care, there are a number of reasons why the incidence of identity theft may be higher and the standard prevention mechanisms may not work. Foster youth are transient – moving often among various homes and schools, perhaps over the course of several years; multiple agencies provide services and have access to personal data; and unscrupulous parents, relatives or caregivers (who may have substance abuse issues or police contacts) may use a child's name, SSN and birth records to open up accounts or otherwise misuse the child's identifying information.

Unfortunately, foster youth victims typically find out their identity has been compromised in the same manner as adult victims of identity theft. They may be: (1) denied credit, mortgage, or loan for a vehicle or college tuition; (2) unable to open a bank or checking account; (3) receiving collection notices in the mail or by telephone; (4) denied tenancy, utility, or phone service; (5) denied a driver's license; (6) discharged from a job or continually and inexplicably denied employment; (7) quoted higher than normal insurance rates; (8) receiving bills or credit cards they never requested, perhaps for years; (9) arrested for an activity they never committed; and (10) informed of accumulated tickets or citations on an unknown vehicle.

The process of rectifying these issues may take several months and perhaps longer. It may also be necessary for the young victim to secure the assistance of a legal advocate. If the identity theft involves a parent or relative, the process of clearing the charge may be complicated by the necessity of filing a police report, which youth are typically reluctant to pursue. This highlights the rationale in AB 2985 which mandates not only the credit check, but coordination with local organizations that are able to assist.

LOCAL ACTION FROM THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES AND PARTNERS

DCFS' Youth Development Services Division has convened meetings regarding AB 2985 with County and community-based partners, including the Probation Department. They have also been actively participating in the CDSS workgroup on statewide implementation of the legislation.

DCFS plans to implement the following actions:

- Train Children's Social Workers, Youth Development Services staff, and care providers on identity theft via community partners, to immediately assist youth who have exited care with cleaning up credit and criminal identity theft. Identity theft training must address a corrective action plan for victimized youth, as well as follow-through;

Each Supervisor
April 20, 2009
Page 4

- DCFS has partnered with the County's Department of Consumer Affairs (DCA), and the private, non-profit organizations of Public Counsel Law Center (PCLC) and The Alliance for Children's Rights (TAFCR) to provide financial literacy training in life skills classes;
- DCFS has partnered with Citi Bank to provide financial literacy training for youth in DCFS housing programs: Transitional Housing Program, Transitional Housing Placement Program, and Transitional Housing Program-Plus;
- DCFS will prepare a frequently asked questions (FAQ) document as a training tool;
- DCFS and Probation have established a partnership with DCA, TAFCR, and PCLC that have an existing partnership with both City and District Attorneys, as well as law enforcement;
- DCFS should explore with County Counsel the feasibility of placing a blanket "security freeze" on all youth who become dependents of the Juvenile Court;
- Conduct live scans on all dependent youth, 16 and older, to detect if they have been victimized by criminal ID theft;
- Collaborate with the Probation Department's Victims Advocate Unit for cross-training of DCFS staff.

TAFCR scheduled a specialized identity theft training to address the scope and extent of identity theft. Community partners and key DCFS staff participated in the April 15, 2009, training.

If you have any questions or need additional information, please let me know, or your staff may contact Jenny Serrano at (213) 974-0801, or via e-mail at jserrano@ceo.lacounty.gov.

WTF:SRH:MS
JS: cvb

Attachments

c: County Counsel
Executive Officer, Board of Supervisors
Director, Department of Children and Family Services